

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 ARAE-00 SEC-01 TRSE-00 /057 W

-----101829Z 118916 /53

P R 101355Z MAY 77

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC PRIORITY 7296

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

C O N F I D E N T I A L SECTION 1 OF 2 SAN JOSE 2018

E.O. 11652: GDS

TAGS: PFOR, PINT, CS

SUBJECT: THE "NEW REPUBLIC" VESCO/FIGUERES/ODUBER IMBROGLIO STILL
GOING STRONG

REF: (A) SAN JOSE 1965 (B) SAN JOSE 1992

BEGIN UNCLASSIFIED

1. SUMMARY: THE REPERCUSSIONS FROM JOSE FIGUERES' REMARKS CONCERNING VESCO'S ALLEGED 1974 CAMPAIGN CONTRIBUTIONS HAVE KEPT UP THE POLITICAL HEAT. PRESIDENT ODUBER CALLS FIGUERES "IMPRUDENT". THE GOVERNMENT PARTY (PLN) CRITICIZES BOTH FIGUERES AND ODUBER, BUT BOTH PUT OFF RESPONDING DIRECTLY TO THE ALLEGATIONS. THE VICE PRESIDENT SUGGESTS VESCO SHOULD LEAVE. THE OPPOSITION AND THE PRESS KEEP UP THEIR ATTACKS. AS THE WEEK BEGINS, THE COUNTRY AWAITS THE DECLARATIONS OF FIGUERES, ODUBER, AND PLN PRESIDENTIAL CANDIDATE MONGE ON THE SCANDAL. END SUMMARY.

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2. THERE HAS BEEN NO LETUP IN THE POLITICAL UPROAR CAUSED BY EX-PRESIDENT FIGUERES' ASSERTION IN "NEW REPUBLIC" INTERVIEW THAT VESCO FINANCED 1974 ODUBER PRESIDENTIAL AND SOME PLN ASSEMBLY CAMPAIGNS. THE STORY CONTINUES TO RECEIVE HEAVY MEDIA PLAY IN THE FORM OF NEWSPAPER AND RADIO EDITORIALS, POLITICAL COMMENTARIES AND MAN-IN-THE-STREET INTERVIEWS, AS WELL AS IN STRAIGHT

NEWS ACCOUNTS. PRO-PLN DAILIES "EXCELSIOR" AND "LA HORA" REMAIN NOTABLE EXCEPTIONS LIMITING THEMSELVES TO RELATIVELY SPARSE NEWS COVERAGE.

3. MANY PLN AND GOCR FIGURES CONTINUED TO AVOID DIRECT COMMENT ON VESCO CAMPAIGN CONTRIBUTIONS. IN A STRONG EXTEMPORANEOUS STATEMENT WHILE ON THE STUMP IN CARTAGO MAY 8, PRESIDENT ODUBER CALLED FIGUERES' REMARK IMPRUDENT, A JOKE AS DON PEPE HAS CLAIMED. ODUBER IMPLIED DON PEPE, LIKE OTHER EX-PRESIDENTS, WAS INTERESTED IN BICKERING WITH HIS SUCCESSOR FOR POLITICAL REASONS; HE ATTEMPTED TO PASS-OFF FIGUERES' STATEMENTS AS THE MISCHIEF-MAKING OF AN OLD MAN. ODUBER STATED THAT REGARDLESS OF DON PEPE'S INTENTIONS, HE WOULD NOT GET INTO A SPAT WITH THE EX-PRESIDENT. THE PRESIDENT REAFFIRMED HIS DECISION NOT TO DISCUSS THE CONTENTS OF HIS LETTER TO "NEW REPUBLIC" UNTIL IT IS PUBLISHED.

4. ODUBER ALSO ATTEMPTED IN HIS REMARKS TO ADDUCE THE FUROR TO FOREIGN AND PRIVATE SECTOR LEVELS. HE NOTED THAT THERE ARE TRANS-NATIONAL COMPANIES AND BUSINESSMEN WHO TRY TO "DESTABILIZE, OR WEAKEN, OR TOPPLE GOVERNMENTS THEY DO NOT LIKE" OR WHEN "THERE IS BUSINESS THAT THEY ARE NOT ABLE TO ENGAGE IN." APPARENTLY CARRIED AWAY, ODUBER VOWED THAT "HERE NOBODY WILL TOPPLE THE GOVERNMENT, NOBODY WILL DESTABILIZE IT, AND NOBODY WILL TAKE ADVANTAGE OF PASSING SCANDALS TO TRY TO WEAKEN THE GOVERNMENT..."

5. ON MAY 6, THE POLITICAL COMMITTEE OF THE PLN (CONTROLLED

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BY PARTY PRESIDENTIAL CANDIDATE LUIS ALBERTO MONGE) TOOK ON BOTH FIGUERES AND ODUBER. IN A STRONGLY-WORDED ANNOUNCEMENT THAT WAS PLACED IN ALL FIVE DAILY NEWSPAPERS, THE COMMITTEE CALLED FIGUERES' EXPLANATION OF HIS REMARKS "UNACCEPTABLE." IT ALSO DEMANDED THAT ODUBER MAKE HIS LETTER TO "NEW REPUBLIC" PUBLIC IMMEDIATELY. THE COMMITTEE INDICATED IT WOULD MAKE PUBLIC ITS POSITION ON THE SUBSTANCE OF THE FIGUERES INTERVIEW LATER THIS WEEK.

6. PLN DEPUTIES HAVE REACTED IN A SIMILAR MANNER. FORMER NATIONAL ASSEMBLY PRESIDENT ALFONSO CARRO EXPRESSED THE HOPE THAT FIGUERES WOULD FURTHER CLARIFY HIS REMARKS. JOSE MIGUEL CORRALES BOLANOS HAS DEMANDED DON PEPE IDENTIFY THE DEPUTIES WHOSE CAMPAIGNS WERE ALLEGEDLY FINANCED BY VESCO. THE PARTY'S LEGISLATIVE CONTINGENT IS TO GET TOGETHER THIS WEEK TO DETERMINE WHAT COURSE OF ACTION TO FOLLOW IN REACTING TO THE FIGUERES STATEMENTS.

7. SECOND VICE PRESIDENT FERNANDO GUZMAN MATA MADE A DIRECT

APPEAL TO VESCO TO LEAVE THE COUNTRY FOR THE GOOD OF COSTA RICA. GUZMAN MATA DECLARED: "THIS MAN (VESCO) IS NOT ESTIMATING IN ALL ITS DIMENSIONS THE DAMAGE THAT HE IS DOING TO THE COUNTRY, THE PRESIDENT, THE PRESIDENCY AND ALL THE CITIZENS WITHIN AND OUTSIDE COSTA RICA, CERTAINLY NOT MAKING UP FOR THE HARMFULNESS OF HIS PRESENCE."

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INFO OCT-01 ISO-00 ARAE-00 CIAE-00 DODE-00 PM-04 H-01
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SS-15 USIA-06 SEC-01 TRSE-00 /057 W
-----101828Z 119219 /53

P R 101355Z MAY 77
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INFO AMEMBASSY GUATEMALA
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C O N F I D E N T I A L SECTION 2 OF 2 SAN JOSE 2018

8. THE POLITICAL OPPOSITION AND THE PRESS CONTINUE TO HAMMER AWAY AT THE PLN, FIGUERES, ODUBER AND VESCO. NATIONAL UNIFICATION PARTY PRESIDENTIAL CANDIDATE GUILLERMO VILLALOBOS ARCE, BROKE HIS SILENCE ON THE ISSUE BY CALLING INTO QUESTION THE VALIDITY OF ODUBER'S 1974 ELECTION TRIUMPH AND THEREFORE HIS OCCUPANCY OF THE PRESIDENCY. "EX-PRESIDENT FIGUERES' DECLARATIONS CONSITUTE A DEFINITIVE DISQUALIFICATION OF THE ELECTION RESULTS THAT PERMITTED DANIEL ODUBER TO ASSUME THE PRESIDENCY OF THE REPUBLIC," HE DECLARED.

9. UNITED OPPOSITION DEPUTY MIGUEL QUESADA NINO ANNOUNCED THAT THE OPPOSITION WOULD BRING THE MATTER OF FIGUERES' REMARKS BEFORE THE ASSEMBLY'S PLENARY SESSION AND SUBMIT A MOTION TO INVESTIGATE. QUESADA DECLARED, "WE DO NOT WANT AN INVESTIGATION OVER HOW MUCH MONEY VESCO SUPPOSEDLY CONTRIBUTED TO ODUBER'S CAMPAIGN. THAT IS OBVIOUS. WE WANT AN INVESTIGATION AS TO THE INFLUENCE THIS FOREIGNER HAS IN NATIONAL POLITICS AND UNTIL WHAT DEGREE HAS BEEN DETERMINED."

10. LEADING DAILY "LA NACION" CONTINUED ITS SERIES OF HARD-
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HITTING EDITORIALS. IT DECLARED THAT THE PRESIDENT SHOULD LIVE UP TO HIS PROMISE TO EXPEL VESCO FROM THE COUNTRY IF THE FINANCIER ILLEGALLY PARTICIPATED IN DOMESTIC POLITICS. FAILURE TO DO SO, "LA NACION" INDICATED, WOULD HAVE NO OTHER MEANING THAN DEMONSTRATING ODUBER'S COMPLICITY. ALL OF "LA REPUBLICA'S" WEEKEND EDITORIALS WERE ON THE SUBJECT. THE PAPER CALLED THE PRESIDENT'S CONTINUED SILENCE OMINOUS AND ASKED "WHERE WILL VESCO'S ALLIANCE WITH POLITICAL POWER LEAD?"

11. THE NEWSPAPERS AND RADIOS ARE CARRYING AN INCREASING NUMBER OF MAN-IN-THE-STREET INTERVIEWS. THE AVERAGE COSTA RICAN APPEARS TO BE INDIGNANT ABOUT FIGUERES' DECLARATIONS, PARTICULARLY HIS STATEMENT THAT COSTA RICANS ARE "COWARDS" (BECAUSE FIGUERES IS CONDEMNED FOR VESCO TIES WHILE POLITICIANS TOOK VESCO MONEY). THERE IS GENERAL SENTIMENT THAT AN INVESTIGATION INTO FIGUERES' ALLEGATIONS MUST BE UNDERTAKEN. AT THE SAME TIME, A SIGNIFICANT NUMBER OF THOSE INTERVIEWED BELIEVE THE WHOLE EPISODE IS A FIGUERES POLITICAL ESCAPEDE BROUGHT ABOUT OVER FRUSTRATION WITH RECENT POLITICAL SETBACKS.

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12. COMMENT: THE GOVERNMENT PARTY CONTINUES TO BE IN A QUANDRY. THEIR PRESIDENTIAL CANDIDATE DESPERATELY WANTS PARTY UNITY -- BUT REFUSES TO BE SADDLED WITH VESCO. IF HE IS FORCED TO CHOOSE, HE WILL DO SO RELUCTANTLY, AND HE WILL BREAK WITH FIGUERES. IN THE MEANTIME, HE (AND THE PARTY) WILL HOPE THAT HE WILL NOT BE FORCED TO DO SOMETHING SIMILAR WITH DANIEL ODUBER. SINCE THE CAREERS AND THE FUTURES OF SO MANY ARE TIED UP IN THIS, THEY WILL TEND TO CHOOSE TO BELIEVE WHATEVER ODUBER EVENTUALLY HAS TO SAY ON THE SUBJECT (AND BLAME IT ALL ON FIGUERES). ODUBER'S REFUSAL TO MAKE THE CONTENTS OF HIS REBUTTAL LETTER TO THE NEW REPUBLIC KNOWN IS A CLEVER WAY OF BUYING TIME, IN THE HOPE THAT, AS IS THE CASE WITH
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SO MANY POLITICAL CRISES HERE, IT WILL EVENTUALLY GO AWAY. OUR GUESS IS THAT IT WILL NOT, AT LEAST NOT EASILY.

13. ODUBER'S ATTEMPT TO POINT A FINGER AT TRANSNATIONALS WILL NOT HOLD UP. FIGUERES HAS MADE THE SAME VESCO-CHARGES

TOO MANY TIMES FOR THERE TO BE ANY CREDENCE IN SOME SINISTER FOREIGN EXPLANATION. THE OPPOSITION WILL ADD THIS PLOY TO THEIR ALREADY LENGTHY BILL OF PARTICULARS, AND ODUBER (AND THE PLN) WILL HEAR ABOUT IT AMPLY DURING THE PRESENT FUROR AND THE CAMPAIGN.

14. HOW THE PARTY REACTS TO DANIEL ODUBER'S REFUSAL TO DIVULGE THE CONTENTS OF HIS LETTER TO THE "NEW REPUBLIC," WHAT DON PEPE FIGUERES WILL SAY, WHAT LUIS ALBERTO MONGE WILL SAY AND DO, WHERE THE PLN, WHICH IS LOYAL TO BOTH MONGE AND ODUBER (IN THAT ORDER) WILL COME OUT, AND HOW EFFECTIVELY THE OPPOSITION USES THIS ISSUE ARE THE ROLES THAT HAVE YET TO BE PLAYED OUT IN THIS DRAMA OF POLITICAL INTRIGUE AND NERVES IN COSTA RICA. MANY OF THESE ANSWERS WILL COME THIS WEEK.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Disposition Approved on Date:
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Disposition Date: 22 May 2009
Disposition Event:
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